

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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**MOTION TO DISBURSE FUNDS TO PAY FEES AND EXPENSES OF TAX
ADMINISTRATOR**

The Securities and Exchange Commission (“Commission”) respectfully requests that the Court enter an Order directing the Clerk of the Court to disburse funds on deposit with the registry of the Court to pay certain fees and expenses of the Tax Administrator.

By order dated August 26, 2010, the Court entered Final Judgments as to defendants FTC Capital Markets, Inc., FTC Emerging Markets, Inc. also d/b/a FTC Group, and Guillermo David Clamens (collectively, the “Defendants”). Pursuant to these Final Judgments and prior orders, the following amounts were deposited with the Clerk of this Court: August 7, 2009 - \$52,912.16; January 26, 2010 - \$1,116,114.5; August 7, 2010 - \$87,000.00; August 25, 2010 - \$138,481.83; and August 25, 2010 - \$35,307.54, for a total of \$1,429,816.09, which constitutes the “Distribution Fund.” The Distribution Fund was thereafter deposited in an interest bearing account, “*SEC v. FTC Capital Markets, Inc., et al.*”, in CRIS account 1:09-cv-04755-PGG. The

Distribution Fund constitutes a Qualified Settlement Fund (QSF) under section 468B(g) of the Internal Revenue Code (IRC), 26 U.S.C. § 468B(g), and related regulations, 26 C.F.R. §§ 1.468B-1 through 1.468B-5.

By order dated December 8, 2011, the Court entered an order appointing Damasco & Associates to fulfill the tax obligations of the Distribution Fund. Pursuant to that Order, the Tax Administrator is required to pay taxes in a manner consistent with treatment of the Distribution Fund as a QSF, and is to be compensated for the tax services provided. For the preparation and filing of the tax year 2010 qualified settlement fund tax return and related tax compliance service for the Distribution Fund, the Tax Administrator has incurred fees and expenses of \$2,923.76 for tax services provided to the Distribution Fund. See Declaration of Tax Administrator attached as Exhibit 1.

The Declaration has been reviewed by the undersigned Commission counsel who has no objections.

WHEREFORE, for all the foregoing reasons, the Commission respectfully requests that this Court enter the attached proposed Order and grant such other relief as it deems just and proper.

Dated: February 10, 2011

Respectfully submitted,



Rhonda L. Jung
Securities and Exchange Commission
3 World Financial Center
New York, New York
(212) 336-0479

EXHIBIT 1

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

FTC CAPITAL MARKETS, INC., FTC
EMERGING MARKETS, INC., ALSO D/B/A FTC
GROUP, GUILLERMO DAVID CLAMENS, LINA
LOPEZ A/K/A NAZLY CUCUNUBA LOPEZ,,

Defendants.

ECF Case

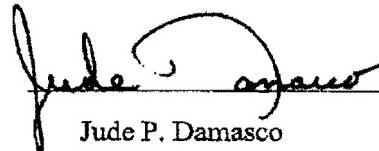
1:09-cv-04755-PGG

DECLARATION OF JUDE P. DAMASCO IN SUPPORT OF FEE REQUEST

I, Jude P. Damasco, am over eighteen years of age and state the following facts which I know of my own personal knowledge.

1. I am the managing partner of Damasco & Associates LLP ("Damasco"), located at 700 Monte Vista Lane, Half Moon Bay, CA 94019. I am a certified public accountant.
2. Damasco was appointed as Tax Administrator for the SEC v FTC Capital Distribution Fund ("Fund") in the Order to Appoint Tax Administrator, Case No. 1:09-cv-04755-PGG, filed on December 8, 2010.
3. Pursuant to our engagement agreement with the SEC, attached is a true and correct copy of our invoice for preparation and filing of the 2010 qualified settlement fund tax return and related tax compliance services for the Fund.
4. Please remit payment in the amount of \$2,923.76 via wire transfer or check according to the instructions listed on the attached invoice.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct. Executed on February 7, 2011 in Half Moon Bay, California.



Jude P. Damasco

Damasco & Associates LLP

700 Monte Vista Lane
Half Moon Bay, CA 94019
650-726-4100
FEIN 20-3042202

Rhonda L. Jung
SEC v FTC Capital Distribution Fund
U.S. Securities & Exchange Commission
New York Regional Office
3 World Financial Center, Suite 400
New York, NY 10281

CATS: NY-8035 Case Number: 1:09-cv-04755-PGG

Invoice No. 25956
Date Monday, February 07, 2011
Client No. 009034

SERVICE	AMOUNT
Professional services for the period December 31, 2010 through February 6, 2011:	
Preparation and Filing of 2010 US Qualified Settlement Fund Tax Return.	\$ 1,750.00
Court document retrieval	1.76
Distribution related tax services:	
File and docket review to determine date of inception of QSF.	<u>1,172.00</u>
Current Amount Due	2,923.76
Past Due Balance	<u>0.00</u>
Total Amount Due	\$ <u>2,923.76</u>

PLEASE REMIT PAYMENT VIA WIRE TRANSFER
OR CHECK ACCORDING TO THE INSTRUCTIONS BELOW:

WIRE FUNDS TO: UNION BANK
350 CALIFORNIA STREET, SUITE 1800
SAN FRANCISCO, CA 94104
ABA NUMBER: TO BE PROVIDED
BENEFICIARY ACCOUNT NUMBER: TO BE PROVIDED
BENEFICIARY ACCOUNT NAME: DAMASCO & ASSOCIATES LLP

OR

MAKE CHECK PAYABLE TO:

DAMASCO & ASSOCIATES LLP
700 MONTE VISTA LANE
HALF MOON BAY, CA 94019